

Reliance Lithium Werks B.V.

Financial Statements
For the year ended December 31st, 2023

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF RELIANCE LITHIUM WERKS B.V.

Opinion

We have audited the accompanying Special Purpose Financial Statements of Reliance Lithium Werks B.V. (hereinafter referred to as "the Company") which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information. These Special Purpose Financial Statements have been prepared by the management of Company per the basis of preparation as described therein, solely for the purpose of preparation of the consolidated financial statements of its ultimate holding company, Reliance Industries Limited.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Financial Statements of the Company for the year ended December 31, 2023 are prepared, in all material respects, in accordance with the basis of preparation of the Special Purpose Financial Statements as disclosed therein and accordingly provide a true and fair view of state of affairs of the Company as at December 31, 2023, and its profit, total comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing ('SAs') issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of these Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

As informed to us, there is no information other than special purpose financial statements. Consequently, in our opinion, the reporting requirement under SA 720 "The Auditor's Responsibilities Relating to Other Information" are not applicable.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Director is responsible with respect to the preparation of the Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the basis of preparation of these Special Purpose Financial Statements as described therein.

The Management of the Company is responsible for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The Management of the Company are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Reporting Requirements

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

Restriction on Distribution and Use

The Special Purpose Financial Statements have been prepared for the limited purpose of preparation of the consolidated financial statements of the ultimate holding company. As a result, these Special Purpose Financial Statements may not be suitable for another purpose. Our report is intended solely for the internal use of the Company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm Registration No. 117366W / W - 100018)

(Abhijit A. Damle)

(Partner)
(Membership No. 102912)

Mumbai, dated April 22, 2024

(UDIN: 24102912BKEPFV2482)

Reliance Lithium Werks B.V.
Balance sheet as at December 31, 2023

	Notes	As at December 31 2023	(Amount in EURO) As at December 31 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	15,739	22,185
Right of Use Assets	1A	70,337	27,399
Financial Assets			
Investments	2	56,176,375	56,176,375
Other financial assets	5	4,220,828	-
Total Non-Current Assets		60,483,279	56,225,959
Current Assets			
Financial Assets			
Trade Receivables	3	1,849,691	1,539,368
Cash and Cash Equivalents	4	277,749	11,008,644
Other Financial Assets	5	-	1,381,434
Other Current Assets	6	8,861,751	1,678,086
Total Current Assets		10,989,191	15,607,532
Total Assets		71,472,470	71,833,491
EQUITY AND LIABILITIES			
Equity			
Share Capital	7	80,360	80,360
Other Equity	8	52,193,162	52,056,676
Total Equity		52,273,522	52,137,036
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	18	27,377	-
Other Financial Liabilities	9	13,275,000	18,878,026
Deferred Tax Liability (net)		-	-
Total Non-Current Liabilities		13,302,377	18,878,026
Current Liabilities			
Financial Liabilities			
Lease Liabilities	18	44,069	25,617
Trade Payables	10	397,703	460,869
Other Financial Liabilities	9	5,435,718	-
Other Current Liabilities	11	19,081	327,100
Provisions	12	-	4,843
Total Current Liabilities		5,896,571	818,429
Total Liabilities		19,198,948	19,696,455
Total Equity and Liabilities		71,472,470	71,833,491

Corporate Information and Material Accounting Policies
Notes to the Financial Statements

1 to 22

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Abhijit A. Damle
Partner
Membership No. 102912
Place: Mumbai
Date: April 22, 2024

Joe Fisher
Director

Sanjay Mashruwala
Director

Date: April 21, 2022

Date: April 19, 2024

Reliance Lithium Werks B.V.
Statement of Profit and Loss for the year ended 31st December 2023.

	Notes	For the year ended December 31st, 2023	(Amount in EURO) 8th April to 31st December, 2022
INCOME			
Revenue from Operations			
Sale of Products	13	8,453,666	9,021,874
Income from Services	13	737,364	1,005,752
		9,191,030	10,027,626
Other income	13.1	51,730	-
Total Income		9,242,760	10,027,626
EXPENDITURE			
Purchase of Stock-in-Trade		7,551,712	8,048,806
Employee Benefits Expense	14	497,482	496,796
Finance Costs	15	2,647	1,563
Depreciation and Amortisation Expense	1 & 1A	52,355	35,480
Other Expenses	16	946,139	1,632,368
Total Expenses		9,050,335	10,215,013
Profit/(Loss) Before Tax		192,425	(187,387)
Tax Expenses:		55,939	-
Profit/(Loss) for the year/ period		136,486	(187,387)
Other Comprehensive Income (OCI)		-	-
Total Comprehensive Income for the year/ period		136,486	(187,387)
Earnings per share of face value of EURO 0.01 each	17		
Basic (in EURO)		0.02	(0.03)
Diluted (in EURO)		0.02	(0.03)
Corporate Information and Material Accounting Policies Notes to the Financial Statements	1 to 22		

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Director

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Reliance Lithium Werks B.V.
Statement of Changes in Equity for the year ended 31st December 2023.

(a) Share Capital (Refer note 7)

(Amount in EURO)		
Particulars	As at December 31, 2023	As at December 31, 2022
Balance at the beginning of the reporting year	80,360	-
Changes during the period	-	80,360
Balance at the end of the reporting year/ period	80,360	80,360

(b) Other equity (Refer note 8)

(Amount in EURO)			
Particulars			
	Securities Premium	Retained Earnings	Total
Balance as at 31st December, 2021	-	-	-
Profit/ (Loss) for the period	-	(187,387)	(187,387)
Securities Premium during the period	52,244,063	-	52,244,063
Total	52,244,063	(187,387)	52,056,676
Balance as at 31st December, 2022	52,244,063	(187,387)	52,056,676
Profit for the year	-	136,486	136,486
Total	52,244,063	(50,901)	52,193,162
Balance as at 31st December, 2023	52,244,063	(50,901)	52,193,162

Corporate Information and Material Accounting Policies
Notes to the Financial Statements

1 to 22

As per our report of even date
For Deloitte Haskins & Sells LLP
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Reliance Lithium Werks B.V.

Cash Flow Statement for the year ended 31st December 2023

(Amount in Euro)

	2023	2022
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax as per Statement of loss and Loss	192,425	(187,387)
Adjusted for:		
Depreciation and Amortisation Expense	52,355	35,480
Allowance for doubtful debts	(30,606)	75,606
Unrealised foreign exchange loss/(gain)	157,356	(398,090)
Other income	(51,730)	-
Finance cost	2,647	1,563
	130,022	(285,441)
Operating profit /(loss) before Working Capital Changes	322,447	(472,828)
Adjusted for:		
Trade and other receivables	(7,620,739)	(4,420,866)
Trade and other payables	(543,336)	640,842
	(8,164,075)	(3,780,024)
Less: Taxes paid	(55,938)	-
Net Cash (used in) Operating Activities	(7,897,566)	(4,252,852)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Consideration received for acquisition of net liabilities:	-	103,692
Purchase of investments	-	(50,573,349)
Interest Income	51,730	-
Advances	(2,839,394)	-
Net Cash (used in) Investing Activities	(2,787,664)	(50,469,657)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary share capita	-	52,324,423
Repayment of lease liability	(43,018)	(28,296)
Interest on lease liability	(2,647)	(1,388)
Proceeds from issue of preference share capita	-	13,275,000
Net Cash (used in)/ generated from Financing Activities	(45,665)	65,569,739
Net (decrease)/increase in Cash and Cash Equivalents	(10,730,895)	10,847,230
Opening Balance of Cash and Cash Equivalents	11,008,644	-
Foreign exchange difference	-	161,414
Closing Balance of Cash and Cash Equivalents (Refer Note 4)	277,749	11,008,644

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Abhijit A. Damle
Partner
Membership No. 102912
Place: Mumbai
Date: April 22, 2024

Joe Fisher
Director
Date: April 21, 2022

Sanjay Mashruwala
Director
Date: April 19, 2024

Reliance Lithium Werks B.V.**Notes to the Financial Statements for the year ended 31st December 2023****A. CORPORATE INFORMATION**

Reliance Lithium Werks B.V (the 'Company'), is a limited liability company incorporated in the Netherlands. The Company's registered office is at Hengelo, the Netherlands and the visiting address is at Colosseum 65, 751 PP Enchede. The company is registered in the Trade Register at the Chamber of Commerce under number 86090828.

The Company is a subsidiary of Reliance New Energy Limited incorporated in India. Reliance Industries Limited is the ultimate holding company.

The Company was incorporated on 8th April 2022.

The Company hosts accounting services. The Company is engaged in trading of cells and modules in Europe, Middle East and Africa.

B. MATERIAL ACCOUNTING POLICIES**B.1 BASIS OF PREPARATION AND PRESENTATION**

These special purpose financial statements ("financial statements") have been prepared for the limited purpose of consolidation into Reliance Industries Limited, the ultimate holding company, using accounting policies as specified herein after.

The financial statements have been prepared on the historical cost convention, on the accrual basis of accounting except for certain financial instruments (financial assets and financial liabilities) that are measured at fair values at the end of each reporting period, as stated in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement is categorised within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

B.2 PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management and includes borrowing costs capitalised in accordance with the Company's accounting policy. The Company depreciates property, plant and equipment on straight line method (SLM) based on management estimated useful lives which are as under:

Class of asset	Useful Life
Furniture and fixtures	7
Computers and equipments	5

Reliance Lithium Werks B.V.**Notes to the Financial Statements for the year ended 31st December 2023**

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

B.3 IMPAIRMENT:

Impairment of non-financial assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

B.4 INVENTORIES

Inventories are stated at the lower of cost and net realizable value, cost being determined on a weighted average basis.

B.5 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

B.6 FOREIGN CURRENCIES

Financial statements are maintained in EURO.

Transactions in currencies other than EURO (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the EURO closing rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising out of these transactions are recognised in the Statement of profit and loss.

Reliance Lithium Werks B.V.**Notes to the Financial Statements for the year ended 31st December 2023****B.7 LEASES**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term (defined as leases with a lease term of 12 months or less) and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

B.8 EMPLOYEE BENEFITS

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive.

B.9 INCOME TAXES

Tax expense for the period comprises current tax and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or in equity. In this case, the tax is also recognised in OCI or in equity.

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Reliance Lithium Werks B.V.**Notes to the Financial Statements for the year ended 31st December 2023****B.10 REVENUE RECOGNITION**

Revenue is recognized based on the delivery of performance obligation and assessment of when control of promised goods / services is transferred to a customer, at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods / services. Revenue is measured at the amount of the transaction price allocated to that performance obligation.

a. Sale of Products

Revenue from sale of products is recognised when the control on the goods has been transferred to a customer. The performance obligation in case of sale of products is satisfied at a point in time as per the terms of agreement with the individual customer.

b. Revenue from services

The Company uses input method for measurement of income from services as it is directly linked to expenses incurred by the Company.

B.11 FINANCIAL INSTRUMENTS**1) Financial Assets****a. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent measurement**Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

c. Impairment of financial assets

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Reliance Lithium Werks B.V.**Notes to the Financial Statements for the year ended 31st December 2023****II) Financial liabilities****a. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement of profit or loss as finance cost.

b. Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one period from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

III. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the Statement of Profit and Loss.

IV. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

B.12 INVESTMENTS IN SUBSIDIARIES

The Company has accounted for its investments in Subsidiaries at cost less impairment loss (if any).

C. Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies which are described in note B, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of the assets and liability that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

i) Impairment of non-financial assets

Where indicators of impairment exist for an asset or cash generating unit ("CGU") Management determines the recoverable amount. As part of that determination, in assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, a valuation model is used.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions, as well as, forward looking estimates at the end of each reporting period.

Reliance Lithium Werks B.V.
Notes to the Financial Statements for the year ended 31st December 2023

1. PROPERTY, PLANT AND EQUIPMENT
For the year ended 31st December 2023

(Amount in EURO)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1-1-2023	Additions for the year	Deductions for the year	As at 31-12-2023	As at 1-1-2023	For the year	Deductions for the year	As at 31-12-2023	As at 31-12-2023	As at 31-12-2022
Computers and Equipments	3,352	-	-	3,352	681	1,022	-	1,703	1,649	2,671
Furniture and Fixtures	23,130	-	-	23,130	3,616	5,424	-	9,040	14,090	19,514
Total	26,482	-	-	26,482	4,297	6,446	-	10,743	15,739	22,185

1A. RIGHT OF USE ASSETS
For the year ended 31st December 2023

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1-1-2023	Additions for the year	Deductions for the year	As at 31-12-2023	As at 1-1-2023	For the year	Deductions for the year	As at 31-12-2023	As at 31-12-2023	As at 31-12-2022
Office Premise	58,582	88,847	58,582	88,847	31,183	45,909	58,582	18,510	70,337	27,399
Total	58,582	88,847	58,582	88,847	31,183	45,909	58,582	18,510	70,337	27,399

1. PROPERTY, PLANT AND EQUIPMENT
For the year ended 31st December 2022

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net block
	As at 08-04-22	Additions for the period	Deductions for the period	As at 31-12-2022	As at 08-04-22	For the period	Deductions for the period	As at 31-12-2022	As at 31-12-2022
Computer & Equipment (*)	-	3,352	-	3,352	681	-	-	681	2,671
Furniture and Fixtures	-	23,130	-	23,130	3,616	-	-	3,616	19,514
Total	-	26,482	-	26,482	4,297	-	-	4,297	22,185

1A. RIGHT OF USE ASSETS
For the year ended 31st December 2022

Description	GROSS BLOCK				ACCUMULATED AMORTISATION				Net block
	As at 08-04-22	Additions for the period	Deductions for the period	As at 31-12-2022	As at 08-04-22	For the period	Deductions for the period	As at 31-12-2022	As at 31-12-2022
Office Premises	-	58,582	-	58,582	-	31,183	-	31,183	27,399
Total	-	58,582	-	58,582	-	31,183	-	31,183	27,399

Reliance Lithium Werks B.V.
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in EURO)

2. NON-CURRENT INVESTMENTS	Units	As at December 31, 2023	As at December 31, 2022
Investments measured at cost:			
In Ordinary shares of subsidiary companies			
Unquoted, fully paid up			
Reliance Lithium Werks USA LLC. - 10,000 (10,000) units of Ordinary shares of USD 0.01 each	10,000	93	93
Lithium Werks China Manufacturing Co. Ltd		15,359,445	15,359,445
Lithium Werks Technology B.V. - 1,000 (1,000) units of Ordinary shares of EURO 0.01 each	1,000	40,816,837	40,816,837
Total		56,176,375	56,176,375

Note on acquisition of investments:

During the previous year, as a part of acquisition agreement, dated 14th March, 2022, Reliance New Energy Limited (holding company) has acquired investments in Lithium Werks China Manufacturing Co. Ltd and Lithium Werks Technology B.V. w.e.f. 1st August, 2022 and 1st May, 2022 respectively through the Company, from the previous owners of investee Companies.

3. TRADE RECEIVABLES (Unsecured and considered good)	As at December 31, 2023	As at December 31, 2022
Trade receivables - others	1,122,555	533,616
Trade receivable - related party (refer note 19)	727,136	1,005,752
Total - A	1,849,691	1,539,368
(Unsecured and considered doubtful)		
Trade receivables others	45,000	75,606
Less: Allowance for doubtful debts	(45,000)	(75,606)
Total - B	-	-
Total A+B	1,849,691	1,539,368

Trade Receivable aging schedule (net of allowance)	Outstanding for following period from due date of payment as at 31 December 2023					Total
	Not due	Less than 6 months	1-2 years	2-3 years	More than 3 years	
i) Undisputed - considered good	911,606	938,085	-	-	-	1,849,691
ii) Undisputed - considered doubtful	-	-	-	-	-	-
Total						1,849,691

Trade Receivable aging schedule (net of allowance)	Outstanding for following period from due date of payment as at 31 December 2022					Total
	Not due	Less than 6 months	1-2 years	2-3 years	More than 3 years	
i) Undisputed - considered good	228,024	1,311,344			-	1,539,368
ii) Undisputed - considered doubtful	-	-	-	-	-	-
Total						1,539,368

Particulars	As at December 31, 2023	As at December 31, 2022
Number of Customers representing over 10% of sale of products	4	2
Outstanding from the above Customers	6,697,687	1,149,563
Number of Customers representing more than 10% of trade receivables	2	2
Outstanding from the above Customers	1,161,577	1,309,523

Trade receivables are recorded at the invoiced amount and do not carry interest. The carrying value of the trade receivables approximates its fair value due to their short term nature.

The collection period ranges from 1 day to 90 days.

Movement in allowance for doubtful debts:

Particulars	As at December 31, 2023	As at December 31, 2022
Balance at the beginning of the period	75,606	-
Additional allowance for current period	-	75,606
Less : reversal of provision during the year	(30,606)	-
Balance at the end of the period	45,000	75,606

4. CASH AND CASH EQUIVALENTS	As at December 31, 2023	As at December 31, 2022
Bank Balances	277,749	11,008,644
Total	277,749	11,008,644

5. OTHER FINANCIAL ASSETS	As at December 31, 2023		As at December 31, 2022	
	Non-current	Current	Non-current	Current
Advances to related parties (refer note 19)	4,207,897	-	-	1,368,502
Security Deposit #	12,931	-	-	12,932
Total	4,220,828	-	-	1,381,434

Represents deposit given for office premises

Reliance Lithium Werks B.V.
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in EURO)

6. OTHER CURRENT ASSETS	As at	As at
	December 31, 2023	December 31, 2022
Prepaid Expenses	128,826	34,206
Advance to vendor (refer note 19)	8,352,425	1,643,880
Advance to Vendors	380,500	-
Total	8,861,751	1,678,086

7. SHARE CAPITAL	As at	As at
	December 31, 2023	December 31, 2022
Issued, Subscribed and Paid up:		
8,035,994 Ordinary shares of EURO 0.01 each fully paid up	80,360	80,360
Total	80,360	80,360

7.1 The details of shareholders holding more than 5% shares:

Name of the Shareholders	As at December 31, 2023		As at December 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Reliance New Energy Limited	7,011,976	87.26%	7,011,977	87.26%
Jet Werks LLC	512,009	6.37%	512,009	6.37%
Paraply Holding AS	512,009	6.37%	512,009	6.37%

7.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year/period :

Particulars	As at December 31, 2023		As at December 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year/period	8,035,994	80,360	-	-
Add: Issued during the year/period	-	-	8,035,994	80,360
Outstanding at the end of the year/ period	8,035,994	80,360	8,035,994	80,360

8. OTHER EQUITY	As at	As at
	December 31, 2023	December 31, 2022
Securities Premium		
Opening Balance	52,244,063	-
On shares issued during the period	-	52,244,063
Retained Earnings		
Opening Balance	(187,387)	-
Total Comprehensive income for the year	136,486	(187,387)
Total	52,193,162	52,056,676

9. OTHER FINANCIAL LIABILITIES	As at		As at	
	December 31, 2023		December 31, 2022	
	Non-Current	Current	Non-Current	Current
Payable to previous owners	-	5,435,718	5,603,026	-
Compulsory Convertible Preference Shares (refer note 9.1 and 19)	13,275,000	-	13,275,000	-
Total	13,275,000	5,435,718	18,878,026	-

9.1 Key terms attached to preference shares:

- a. The Preference Shares shall automatically convert into Ordinary Shares after five years of the date of issuance of the relevant Preference Shares.
- b. The rate at which each Preference Share shall convert into an Ordinary Share shall be calculated as follows:
 - i. If at the moment of the conversion the Original Issue Price is lower than or equal to the Discounted Issue Price: one (1) Preference Share will be converted into a number of Ordinary Shares equal to the quotient obtained by dividing the Original Issue Price by eight euro and seventy cent (EUR 8.70).
 - ii. If at the moment of the conversion the Discounted Issue Price is lower than the Original Issue Price: one (1) Preference Share will be converted into a number of Ordinary Shares equal to the quotient obtained by dividing the Original Issue Price by the Discounted Issue Price, provided that in case the nominal value of shares is changed, the conversion rate shall be adjusted proportionately in order to maintain the original ratio.
- c. Each Preference Share shall be entitled to receive dividend as and when declared by the General Meeting at an amount equal to six per cent (6%) (non-cumulative, non-compounded) on an annual basis (based on three hundred sixty-five (365) days a year) of:
 - i. the nominal value of the Preference Shares;
 - ii. the balance of the share premium reserve of the Preference Shares; and
 - iii. the balance of the dividend reserve of the Preference Shares.
- d. The Preference Share Dividend shall be payable only as and when dividends are paid on the outstanding Ordinary Shares.

Reliance Lithium Werks B.V.
Notes to the Financial Statements for the year ended 31st December 2023

(Amount in EURO)

10. TRADE PAYABLES	As at December 31, 2023	As at December 31, 2022
Trade payables		
Trade payables - related party (refer note 19)	-	1,524
Trade payables - others	397,703	459,345
Total	397,703	460,869

The credit period in respect of trade payables ranges between 0 and 120 days. The carrying amount of the trade payables is considered a reasonable approximation of their respective fair value, due to their short-term nature. As at 31st December 2023

Trade payables aging schedule
As on December 31, 2023

(Amount in EURO)

Particulars			Outstanding for the following period from due date of payment				Total
	Unbilled	Not due	Less than 6 months	1-2 years	2-3 years	More than 3 years	
Trade Payable Others	21,779	298,644	77,280	-	-	-	397,703

As on December 31, 2022

Particulars			Outstanding for the following periods from due date of payments				Total
	Unbilled	Not Due	Less than 6 months	1-2 years	2-3 years	More than 3 years	
Trade Payable Others	326,000	126,676	8,193	-	-	-	460,869

11. OTHER CURRENT LIABILITIES

	As at December 31, 2023	As at December 31, 2022
Advance from customers	15,427	240,198
VAT payable	3,654	86,902
Total	19,081	327,100

12. PROVISIONS (CURRENT)

	As at December 31, 2023	As at December 31, 2022
Restoration costs		
Beginning balance	4,843	-
For the year	-	4,668
Unwinding of discount	(4,843)	175
Closing Balance	-	4,843

13. REVENUE FROM OPERATIONS

	For the year ended 31st December 2023	For the period 8th April 2022 to 31st December 2022
Sale of Products		
Cells and modules	8,453,666	9,021,874
Income from Services (refer note 19)	737,364	1,005,752
Total	9,191,030	10,027,626
Revenue from Operations disaggregated based on Geography		
- Europe, Middle East and Africa	8,453,666	9,021,874
- Other than Europe, Middle East and Africa	737,364	1,005,752
Total	9,191,030	10,027,626

13.1 OTHER INCOME

	For the year ended 31st December 2023	For the period 8th April 2022 to 31st December 2022
Interest income	51,730	-
Total	51,730	-

14. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st December 2023	For the period 8th April 2022 to 31st December 2022
Salaries and Wages	372,088	438,009
Contribution to Defined Contribution Plans	123,999	55,676
Staff Welfare Expenses	1,395	3,111
Total	497,482	496,796

Reliance Lithium Werks B.V.

Notes to the Financial Statements for the year ended 31st December 2023

(Amount in EURO)

15. FINANCE COSTS	For the year ended 31st December 2023	For the period 8th April 2022 to 31st December 2022
Interest expenses on lease liability	2,647	1,388
Interest expenses - others	-	175
Total	2,647	1,563

16. OTHER EXPENSES	For the year ended 31st December 2023	For the period 8th April 2022 to 31st December 2022
Freight	15,473	1,472
Insurance	126,987	92,079
Legal & Professional fees	383,187	298,601
Business promotion expenses	9,809	6,260
Provision for expected credit loss	(30,606)	75,606
Auditors remuneration – audit fees	48,494	23,050
Software subscriptions	20,459	13,210
Bandwidth charges	2,400	1,600
Travel and accommodation	77,669	71,517
Receivables written off	30,606	174,421
Foreign exchange loss	214,981	833,354
Miscellaneous expenses	46,680	41,198
Total	946,139	1,632,368

17. EARNINGS PER SHARES (EPS)	For the year ended 31st December 2023	For the period from 8th April to 31st December 2022
Basic earnings per share is computed by dividing the net profit/(loss) after tax attributable to the shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit/(loss) after tax and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential shares.		
i) Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to ordinary shareholders (in EURO)	136,486	(187,387)
ii) Weighted average number of shares outstanding during the period		
-Basic	8,035,994	6,624,109
-Diluted	8,035,994	6,624,109
iii) Basic earnings per Share (in EURO)	0.02	(0.03)
iv) Diluted earnings per share (in EURO)*	0.02	(0.03)
v) Face value per share (in EURO)	0.01	0.01

*Pursuant to the losses incurred by the Company in the previous year and have not earned appropriate profits for the dividend to preference shareholders, potential equity shares have not been considered for calculating diluted EPS as this will result in anti-dilutive EPS.

18. LEASES	For the year ended 31st December 2023	For the period from 8th April to 31st December 2022
18.1 LEASES LIABILITIES - MATURITY ANALYSIS (UNDISCOUNTED BASIS)		
Lease payment due:		-
Not Later than 1 year	44,069	25,617
Later than 1 year and not later than 5 years	27,377	-
Later than 5 years	-	-
Total	71,446	25,617

The breakdown of lease payments is as follows.

Particulars	For the year ended 31st December 2023	For the period from 8th April to 31st December 2022
Fixed Payments	45,665	29,684
Variable Payments	-	0
Total Payments	45,665	29,684

The Company has lease arrangements of office premises. The lease term is expiring in 2025.

The total cash outflow for leases amount to Euro 45,665. There are no short term or variable leases.

Reliance Lithium Werks B.V.

Notes to the Financial Statements for the year ended 31st December 2023

(Amount in EURO)

19. RELATED PARTIES DISCLOSURES

The disclosures of relationships and transactions with the related parties are given below:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate holding company - control exists
2	Reliance New Energy Limited	Holding company - control exists
3	Reliance Lithium Werks USA LLC.	Subsidiary - control exists (w.e.f 19th April, 2022)
4	Lithium Werks China Manufacturing Co. Ltd	Fellow subsidiary (w.e.f 1st August, 2022)
5	Lithium Werks Technology B.V.	Subsidiary - control exists (w.e.f 1st May, 2022)

List of transactions during the period with related parties:

Sr. No.	Particulars	Related Parties	As at December 31, 2023	As at December 31, 2022
1	Income from services	Reliance Lithium Werks USA LLC.	737,364	1,005,752
2	Purchase of traded goods	Lithium Werks China Manufacturing Co. Ltd	7,543,622	4,910,366
3	Services availed	Reliance Lithium Werks USA LLC.	-	1,524
4	Advance given	Reliance Lithium Werks USA LLC.	2,717,724	1,260,587
5	Advance given	Lithium Werks Technology B.V.	121,671	107,915
6	Issue of preference shares	Reliance New Energy Limited	-	13,275,000
7	Advance given	Lithium Werks China Manufacturing Co. Ltd	8,352,425	-
8	Reimbursement of expenses	Lithium Werks China Manufacturing Co. Ltd	-	508,537
9	Investment	Reliance Lithium Werks USA LLC.	-	93
10	Issue of ordinary shares	Reliance New Energy Limited	-	52,314,182

Sr. No.	Balances as at the end of the period	Related Parties	As at December 31, 2023	As at December 31, 2022
1	Trade Receivables	Reliance Lithium Werks USA LLC.	727,136	1,005,752
2	Trade Payables	Reliance Lithium Werks USA LLC.	-	1,524
3	Other financial assets	Reliance Lithium Werks USA LLC.	3,978,311	1,260,587
4	Other financial assets	Lithium Werks Technology B.V.	229,586	107,915
5	Other current assets	Lithium Werks China Manufacturing Co. Ltd	8,352,425	1,643,880
6	Other Financial Liabilities	Reliance New Energy Limited	13,275,000	13,275,000

20. As a part of acquisition agreement, dated 14th March, 2022, Reliance New Energy Limited (holding company) has acquired net liabilities of USD 103,692 from Lithium Werks BV., through the Company. The details of assets and liabilities acquired are as under:

(Amount in EURO)

Property, Plant and Equipment (net)	26,482
Other financial assets	12,932
Other Current Assets	4,021
Trade payables	(147,127)
Net liabilities	(103,692)

21. Category-wise classification of financial instruments & fair value measurements:

The Company measures all the financials instruments at amortized cost.

The carrying amount of financial assets and liabilities recognized in the financial statements is assumed to approximate their fair values, since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

22. The financial statements are approved for issue by the Board of Directors at their meeting conducted on April 19, 2024

For and on behalf of the Board

Joe Fisher
Director

Sanjay Mashruwala
Director

Date: April 21, 2022

Date: April 19, 2024